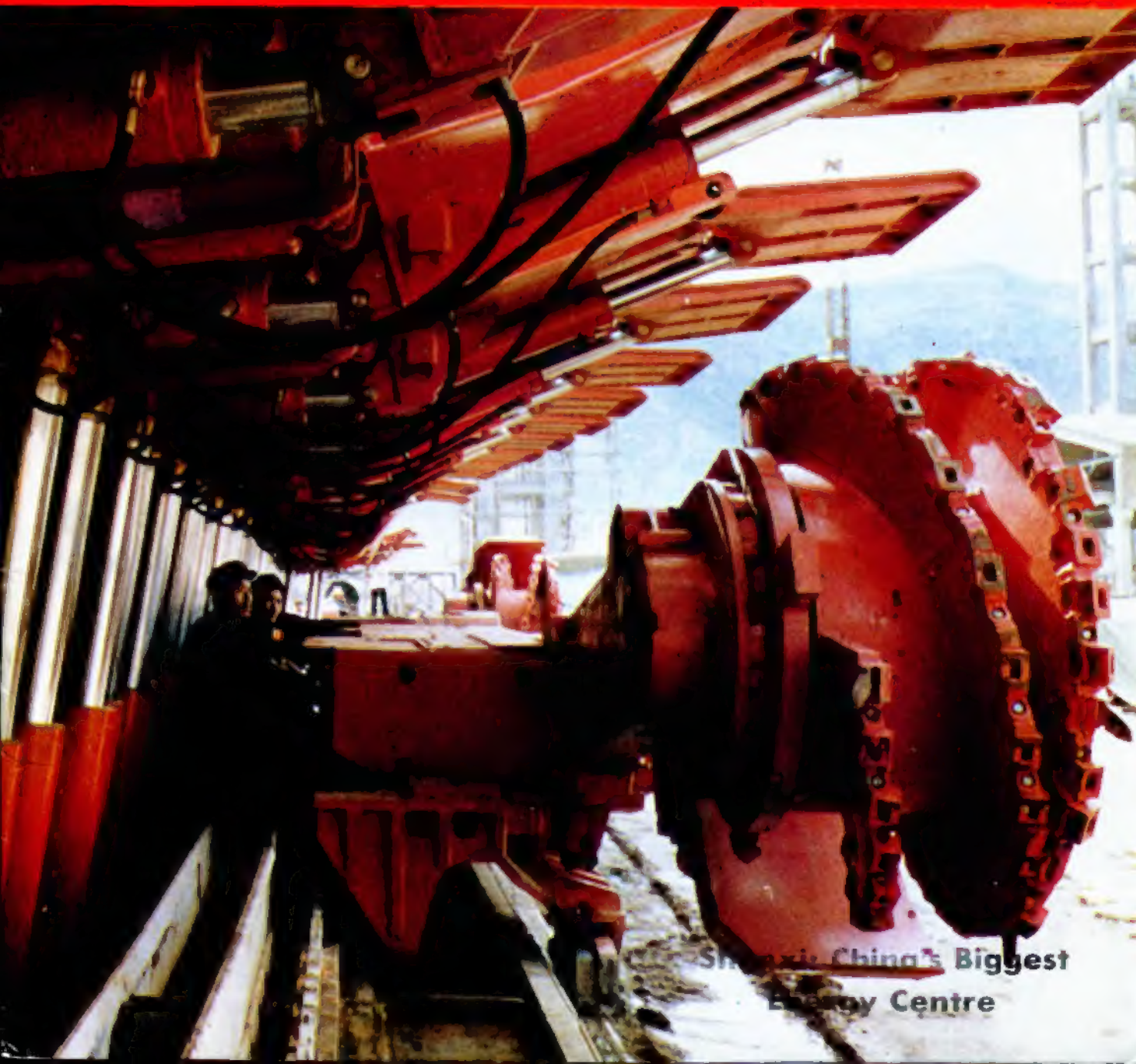


BEIJING REVIEW

北京周報

A CHINESE WEEKLY OF
NEWS AND VIEWS

- 200,000-Year Old Skeleton Unearthed
- Shenzhen Takes the Lead in Urban Reforms



Shenzhen: China's Biggest
Energy Centre

The Pingsu Open-Cast Coal Mine Under Construction



The Antaibao No.1 Open-Cast Coal Mine affiliated with the China National Pingsu Coal Company, which is co-operatively developed by the China National Coal Development Corp. and the Occidental Oil Company of the United States, is under construction.



Chinese and American engineers work together.

SPOTLIGHT

Workers must pass a technical exam before beginning their jobs.



A new highway leads to the mining area.

A residential quarter for the miners.



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COVER: Miners in the Gujiao coal

mining area test coal-cutting equip-

ment imported from Britain.

Photo by Chen Zonglie

HIGHLIGHTS OF THE WEEK

Norwegian Prime Minister Visits Beijing

Visiting Norwegian Prime Minister Kare Willoch told Chinese leaders his country could play a greater role in boosting China's economic development. Premier Zhao Ziyang agreed with Willoch and said he welcomes Norwegian entrepreneurs to invest in major energy and communications projects and help upgrade older factories (p. 7).

Beijing Receives Dalai Lama's Envoys

In a five-point statement, the Communist Party of China explained its position on the possible return of the Dalai Lama. This was made public for the first time after a ranking Party official received three representatives from the Dalai Lama in Beijing (p. 9).

Shenzhen: Mirror for Urban Reforms

Since its establishment in 1980, the Shenzhen Special Economic Zone has embarked upon large-scale construction at top speed and with high efficiency. The zone has succeeded by carrying out a series of reforms in the personnel, wage and managerial systems. Many of the reforms tried out in Shenzhen are now taking hold in other cities of the country (p. 19).

Shanxi Rich in Energy Resources

Shanxi, China's largest coal producing area, and its neighbouring coal-rich regions will be developed into a modern energy supply centre. This first report of a series of four by our correspondent deals with the available resources (p. 16).

200,000-Year-Old Skeleton Discovered

A fossilized 200,000-year-old human skeleton was unearthed in northeast China's Liaoning Province in September by a Chinese archaeological team. The discovery, the most complete skeleton ever found from that period, is of great importance to anthropologists in their study of the transition from ape man to modern man (p. 33).

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Earning More and Spending More

by **WANG DACHENG**

Economic Editor

Stories about "earning more and spending more" frequently turn up in Chinese newspapers these days. The stories have captured the attention of foreigners, who call the trend the "spending money" campaign or the "spending revolution." Regardless of what it is called, the move towards higher levels of consumption is making a big change in the Chinese lifestyle. In the past consumption was either restricted or neglected. Now it is being strongly encouraged as a way to improve living standards.

The basic task of socialism is to develop social productivity to meet the people's increasing material and cultural needs. The standard of living, both material and cultural, should be gradually raised as production develops. At the same time, the increase in consumption helps stimulate production. This is very clear, but it took many years and many wrong turns for the Chinese people to realize it.

Some people may ask why increased consumption is being advocated now, after socialism has been developing for more than 30 years in China. There are many reasons, but the main one concerns the guiding ideology.

From the founding of New China in 1949 until 1957, production developed rapidly and the living standards also improved. The people then desired to live better and dress well. Brightly coloured garments and Western-style clothes began to appear on city streets. But things changed when such styles were criticized as representative of capitalist lifestyle. Measures to

develop a socialist commodity economy were repudiated as capitalist. After 1957 the Party, guided by "Leftist" thinking, put undue emphasis on construction and paid little attention to improving living standards. At the same time, the overcentralized economic management system put the national economy under rigid control and the roles of the commodity economy, the law of value and the market forces were neglected. All these restrictions plus egalitarianism in distribution stiffened the economy and slowed the growth of productivity. Later the 1966-76 turmoil of the catastrophic "cultural revolution" seriously disrupted production. During this period the improvement of living standards was out of the question.

But the situation has now changed. Correcting "Leftist" mistakes has helped people understand the law of socialist economic development. Since implementing the rural production responsibility system five years ago, great changes have taken place in rural areas. Production has developed swiftly and purchasing power has soared. Affluent peasants have a higher demand for new goods and a better cultural well-being. Now reforms of the economic structure focused on cities are progressing throughout the country. Both the income and the living standards of workers and staff members are increasing steadily. Television sets, refrigerators, washing machines, cameras and other durable goods are in great demand. Over the past few years, peasant incomes have increased faster than those of the urban workers and staff members. And the gap between the countryside and the city

is narrowing. The situation is the best since the founding of New China.

China's leaders are advocating more spending now because the conditions are ripe. First, China has rid itself of "Leftist" thinking and has followed a correct policy in handling the relationship between economic construction and living standards. Second, production has developed rapidly over the last few years, the number of products have multiplied and incomes have increased. Despite the improvement of these material conditions, consumer spending still lags behind the level in many developed countries.

Some people say that those who can afford durable consumer goods are still a minority. This is true at the moment. But in socialist China, where no exploitation exists, everybody is guaranteed a chance to become well off, because China is practising a planned commodity economy on the basis of public ownership, not an economy that is based on private ownership and subjected fully to market regulation. On the road to common prosperity, some will lead the way while others will lag behind. The income gap between them may increase over a period of time. But this will never cause a polarization between the exploiter minority and the poor majority. The state will help those individuals who lag behind and carry out preferential policies in backward areas by providing them with the materials and technologies needed. In the long run, the income gap will be narrowed and the whole society's level of consumer spending will be raised to new heights.

Learning About Everyday Life

The colour cover and the art page on the inside cover give the magazine a modern touch and a touch of the past, the old and new.

The magazine as a whole is well written and easy to read and understand. The articles are of the simple and everyday life. They reveal the way people of your country live, much as the same as ours and many other countries. Most interesting to me are the articles regarding the elderly, international affairs, the touching story of Deng Xiaoping written by his daughter, Maomao, and acupuncture. Since we visited China in May 1983 and witnessed patients receiving acupuncture, I've been trying to find the story behind it. I now know!

Suggestion: since there is so much to learn about your country, which was withdrawn from the rest of the world for so long, I'm sure many (including myself) would like to know about Chinese writings, poems, books, Buddhism and calligraphy. Would it be possible to devote a page or two in coming issues. It would help us to know the innermost part of China.

Marie Baranauskas
Connecticut, USA

Important Agricultural Programmes

As a recent reader of your magazine, I have been very interested in your articles on rural development and small and medium scale industries. The fact that a highly populated country has been able to supply itself with agricultural products indicates the strength of your rural development programmes. They obviously need to be studied closely by small

countries like ours if we are to be truly self-sufficient and to be truly independent.

M.T. Labati
Suva, Fiji

More on the Arts

To a foreign reader interested to have a vivid and intimate glimpse of the diverse aspects of life in contemporary Chinese society, your esteemed journal no doubt provides highly fascinating and rewarding reading. But it is singular to note that it focuses the spotlight more on contemporary national and international political issues and problems and features not so prominently the contemporary literary and intellectual life of the People's Republic of China. To a keen literary and cultural enthusiast like me (who is also a journalist and creative literary writer), your esteemed *Beijing Review* can offer highly stimulating, thought-provoking and enlightening reading if it features more literary and cultural items. It would be well and good if you could publish in every issue an article or feature presenting a profile of the life and the artistic, intellectual or literary accomplishments of an eminent contemporary Chinese poet, writer, novelist, painter, musician or the like.

Rajendra Prasad Acharya
Cuttack, India

Good 'Wushu' Feature

The last two issues of *Beijing Review* have been especially interesting to me. The article on *taijiquan* (shadow boxing) was much appreciated. I hope you will continue to do articles on *wushu* and *taijiquan* in future issues.

As a student of *wushu* I am also interested in traditional Chinese

medicine. The article on "Acupuncture Today" was most welcome. I would look forward to more articles like that.

I also appreciated the articles on China's reunification with Hong-kong and Taiwan. It is an area which I follow with close interest.

I have been so pleased to read of your guaranteeing religious freedom. It has been heart-warming to learn of monks coming back to the temples and the progress of Chinese Christianity.

Forgive us if we in the West don't always understand. I hope our countries will become much closer and always remain friends.

Ray Eaton
Missouri, USA

Students Read About Education

Your articles are especially important to us students. We enjoyed the article in No. 32, "Enthusiasm for Study Among Youth."

My suggestions concerning improvement would be more information about sports, education in China, music, and views of your cities, provinces, museums and other places.

Boniventure Cyprian
Kahama, Tanzania

Beautiful Photos

I liked the photos in the article "Notes From a Trip Through Africa" in No. 28 very much. These kinds of fascinating pictures have been appearing more regularly in your weekly. I hope you publish even more, or else your magazine will be too dull and dry.

Cayetano Ribas
Malabo, Equatorial Guinea

Li Wraps Up Tour of Southern Europe

Chinese President Li Xiannian returned to China Nov. 24 after a two-week tour of Spain, Portugal and Malta that Foreign Minister Wu Xueqian termed "satisfactory and successful."

President Li and his entourage flew from Madrid to Lisbon on Nov. 16. (The visit to Spain was reported in last week's *Beijing Review*.) The people of the ancient Portuguese capital city warmly greeted the Chinese president.

In his speech at the state banquet honouring President Li, Portuguese President Antonio Hamalho Eanes said the first visit to Portugal by a Chinese head of state "constitutes a most significant and historical moment in the traditional harmonious relations between the peoples of the two countries and provides a privileged occasion for us to promote dialogue and strengthen co-operation between our two countries."

President Li said that China is ready to work together with Portugal to further advance the



President Li, accompanied by President Agatha Barbara, inspects Malta's honour guard.

friendly relations and co-operation between the two countries.

"Both our countries face the task of developing the economy and improving the people's livelihood," said Li. "To develop Sino-Portuguese relations and strengthen co-operation to our mutual benefit conforms with the com-

mon interests and desires of our two peoples and is also conducive to the maintenance of world peace and stability," he added.

Portugal is strategically located at the edge of the vast Atlantic Ocean. Its location and its ancient culture and history make it a place of interest to people all over the world. Portugal is one of the founding members of the North Atlantic Treaty Organization (NATO).

China and Portugal established diplomatic relations five years ago. Since then the two governments have signed a series of agreements on trade, cultural, industrial, scientific and technological exchanges.

Chinese Foreign Minister Wu Xueqian, who accompanied Li, met with Portuguese reporters and reporters from Hongkong and Macao to discuss the issue of Portuguese control over Macao.

President Li Xiannian and his wife, Lin Jiamai, meet Portuguese President Antonio Hamalho Eanes and his wife.



Wu said, "It should be acknowledged that the issue of Macao, left over by history, remains unsettled and is still a problem." He went on to say that Macao has belonged to China since ancient times. The Portuguese Government clearly acknowledged this when China and Portugal established diplomatic relations in 1979, Wu noted.

"I believe that through friendly negotiations we can settle this issue as one left over by history," Wu added.

President Li and Foreign Minister Wu also met and talked with Portuguese Prime Minister Mario Soares.

In Malta

From Portugal the Li entourage flew Nov. 19 to Malta, the last leg of the president's first Southern European tour. In a written statement issued at the airport, Li said that China and Malta have made substantial progress in friendly relations and co-operation. His visit to Malta, he said, was to facilitate that progress and work for the common cause of maintaining world peace.

At a state dinner given in honour of Li and his wife, Lin Jia-mei, Maltese President Agatha Barbara said that the bonds uniting the two countries "are both deep and steadfast because over the years we have together invested much care and effort to cultivate our friendship."

Barbara said, "At the present time the state of international relations is particularly soured by the sharpening confrontation between the two superpowers. In the Mediterranean region, the non-aligned members are rising in anger against this situation," she said.

Barbara praised China's understanding of and support for Malta as "a manifestation of China's common aspirations with the non-

aligned countries, as well as a further token of China's close ties of friendship and support towards Malta's policies."

President Li said that the successful development of Sino-Maltese relations is further proof that countries with differing social systems can live together in friendship and carry on mutually beneficial co-operation so long as they respect and trust one another.

Norway Adds To China's Efforts

Norwegian Prime Minister Kare Willoch, during his week-long visit to China, told Chinese leaders that he hopes his country can "play a greater part in helping China to implement its economic development plan."

Willoch arrived in Beijing Nov. 17 at the invitation of Chinese Premier Zhao Ziyang. The visit was Willoch's second, as he visited China 10 years ago. Zhao visited Norway last June.

During a meeting with Willoch, Deng Xiaoping, Chairman of the Communist Party's Central Advi-

sory Commission, said, "China is now on the right track of reform." He told the Norwegian prime minister that reforms have boosted rural production and have "encouraged us and enhanced our confidence in the total reform of the entire national economy."

Willoch said the success of the reforms will help China develop co-operative ties with other countries. China and Norway have had diplomatic relations for three decades, and scientific, economic and technological exchanges have developed in a friendly way over the years. Trade between the two countries is on the rise.

Zhao told Willoch that Norwegian entrepreneurs are welcome to invest in key energy and communications projects in China. He also said that Norwegian assistance would be useful in upgrading older factories. China, Zhao noted, recognizes highly developed Norway as an important partner in its modernization drive.

Willoch said that one of the primary purposes for his visit was to promote development of economic relations between the two nations. The prime minister

Accompanied by Premier Zhao Ziyang, Norwegian Prime Minister Kare Willoch reviews a People's Liberation Army honour guard.



said there are many ways the two countries can increase economic ties, including the establishment of joint ventures in China between Norwegian companies and Chinese organizations.

Both Chinese and Norwegian leaders expressed satisfaction with the development of their bilateral relations. The exchange visits by the leaders of the two governments indicate that friendly co-operation has entered a new stage. As a symbol of the friendly co-operation between the two countries, *Bei Dou*, a ship for surveying fishery resources, was donated to China last month by the Norwegian Government.

On Nov. 21 an agreement between China and Norway regarding mutual protection of investments was concluded. Willoch said that Norway hopes that an agreement on eliminating double taxation can be signed in the near future.

Willoch's visit to China demonstrates that although China and Norway are geographically far apart, common interests bind them together.

Hu Congratulates Romanian Leader

Party General Secretary Hu Yaobang sent a message of congratulations on Nov. 23 to Party General Secretary Nicolae Ceausescu on his re-election as leader of the Romanian Communist Party (RCP).

Ceausescu, 66, was chosen as the Party's leader at the end of a four-day session of the 13th Communist Party Congress on Nov. 22. Ceausescu has headed the Party for the past 19 years and served as head of state for 17 years.

Also on Nov. 22, Ceausescu received Wan Li, leader of a Chinese Communist Party (CPC) dele-

gation that arrived in Bucharest Nov. 17 to attend the 13th Party Congress.

In his conversations with Wan, Ceausescu said the fact that the CPC Central Committee sent the delegation was a manifestation of the good relations between the two nations.

The Central Committee also sent congratulations to the 13th RCP Congress.

China Condemns Viet Authorities

China strongly condemns the recent Vietnamese military actions in Kampuchea and Thailand, according to a spokesman for the Foreign Ministry.

Vietnamese troops in Kampuchea, under the cover of tank and artillery fire, launched a heavy attack on areas controlled by the Coalition Government of Democratic Kampuchea, forcing many Kampuchean civilians to flee to Thailand and leaving many more homeless, the spokesman said on Nov. 21 during the weekly news briefing.

Tension along the Thai-Kampuchean border was once again aggravated and the territory and security of Thailand are again faced with the threat of a Vietnamese invasion, he added.

The incursion by Vietnamese troops into Thailand earlier this month and their recent attacks on the armed forces of Democratic Kampuchea are premeditated, well-planned acts of aggression by the Vietnamese authorities during the dry season, which has just begun, the spokesman said. At the same time, Vietnamese troops have also stepped up their military provocations along the Sino-Vietnamese border.

He said, "We strongly condemn these acts of aggression by the

Mrs Thatcher to Visit Beijing

At the invitation of Zhao Ziyang, Premier of the State Council of the People's Republic of China, British Prime Minister Mrs. Margaret Thatcher will pay an official visit to Beijing between 18 and 20 December. She will be accompanied by British Foreign Secretary Sir Geoffrey Howe. The main purpose of Mrs. Thatcher's visit will be to sign the Joint Declaration of the Government of the People's Republic of China and the Government of the United Kingdom of Great Britain and Northern Ireland on the Question of Hongkong. Mrs. Thatcher will also hold talks with Chinese leaders.

Vietnamese authorities and firmly support the peoples of Kampuchea and Thailand in their struggle to resist the Vietnamese troops. The Vietnamese authorities will meet with greater defeat and gain nothing by clinging obstinately to their present course."

Zhao and Haig Discuss Taiwan

China's principle of resolving the Taiwan issue by peaceful means remains unchanged, and the concept of "one country, two systems" is the best method to solve the problem, Premier Zhao Ziyang told former US Secretary of State Alexander Haig on Nov. 16.

Zhao said the terms for settling the Taiwan question would be more generous than those for Hongkong. He was referring to

the promise that Taiwan could keep its own troops.

Haig, now senior advisor to the United Technology Corporation (UTC), arrived in Beijing to attend a ceremony handing over S-70c helicopters that the Sikorsky Aircraft Company, a subsidiary of the UTC, sold to the Machinery Import and Export Corporation of China and the Poly Technologies Incorporation.

This was the third meeting between Zhao and Haig, the previous two being in 1981.

Zhao said that the Sino-US joint communique of Aug. 17, 1982, helped a lot in improving bilateral relations. He praised Haig for his important role in this regard. "You have continued to concern yourself with the development of Sino-US relations since you left public office. I appreciate your foresightedness concerning US relations with China," he said.

Haig told Zhao that the Aug. 17 joint communique had been accepted by the American people, who wanted the US-China relationship to remain strong and friendly. The Sino-British Joint Declaration on Hongkong, he stressed, was a very positive factor in creating a consensus among Americans on relations with China. The number of those who opposed US-China friendship was declining.

Haig said he was sure that during US President Ronald Reagan's second term of office, "US-China relations will move forward."

China Battling Drug Trafficking

China takes a firm stance against foreigners shipping drugs through China, said Chen Shiqiu, advisor to the Chinese delegation at the 39th session of the United Nations

General Assembly. Chen made his comments during a speech to the third committee of the assembly on Nov. 16.

Chen noted that in recent years some foreign drug dealers have tried to take advantage of China's open policy and its promotion of tourism by transporting narcotics through China. But these nar-

cotics have been seized, and the dealers involved have been punished according to law, he said.

Chen stressed that the prohibition of drug trafficking, the control of narcotics and the elimination of drug use require co-ordinated efforts at the national, regional and international levels, with national efforts as the primary focus.

Beijing Receives Dalai Lama's Envoys

The Communist Party of China (CPC), in a five-point statement made public for the first time on the possible return of the Dalai Lama, has extended a welcome to the Tibetan religious leader and pledged that he would receive the same political status and living conditions he enjoyed before his exile in 1959.

Yang Jingren, head of the CPC's United Front Work Department, on Nov. 27 told a three-member delegation sent by the Dalai Lama that he is welcome to come back for a visit next year or resettle in China at any time.

The Dalai Lama, one of the two religious leaders of Lamaism, went into exile in India in 1959 after a group of Tibetan serf-owners sparked an unsuccessful armed rebellion. Prior to his departure, the Dalai Lama was vice-chairman of the National People's Congress (NPC) and was respected as a religious leader.

The Dalai Lama's three representatives, Thupten Namgyal Juchen, Phuntsok Tashi Takla and Lodi Gyaltsen Gyari, arrived on Oct. 21 from India. They had been visiting Shanghai, Tianjin and other cities.

Yang noted that the Dalai Lama had on many occasions expressed his wish to come back for a visit. This time he conveyed his wish explicitly to the central government through the three representatives. "This is to be welcomed," Yang said.

The Dalai Lama had expressed his wish to improve relations with the central authorities and to live with the one billion people of China. He thought that the present policies of the central authorities were wise and that the principal leaders of China were trustworthy.

"We appreciate all this," Yang said.

Yang said the central government has pursued a prudent and measured policy in Tibet since liberation. While "Leftist" ideas had some impact on Tibet in 1959, that was not the real reason why the Dalai Lama went into exile.

Two decades and more have passed and there is no need to quibble over that event, Yang said. "Let bygones be bygones," he added.

Yang told the representatives that leaders in the central government had stated many times that the Dalai Lama would be welcome whether he returned for a visit or to resettle. There will be no objections if he chose to remain abroad for a few more years to watch how things develop.

Yang quoted Party General Secretary Hu Yaobang as saying that after the Dalai Lama returns, "the Central Committee of the Chinese Communist Party will recommend that he be elected as a NPC vice-chairman, and, in consultation with other parties that he be elected a vice-chairman of the National

Committee of the Chinese People's Political Consultative Conference.

Yang recalled that when Hu Yaobang met the Dalai Lama's elder brother Gyalo Thondup in 1981, he had put forward five points:

- The Dalai Lama should be confident that China has entered a new stage of long-term political stability, steady economic growth and mutual help among all nationalities.

- The Dalai Lama and his representatives should be frank and sincere with the central government, not beat around the bush. There should be no more quibbling over the events in 1959.

- The central authorities sincerely welcome the Dalai Lama and his followers to come back to live. This is based on the hope that they will contribute to upholding China's unity and promoting solidarity between the Han and Tibetan nationalities, and among all nationalities, and the modernization programme.

- The Dalai Lama will enjoy the same political status and living conditions as he had before 1959. It is suggested that he not go to live in Tibet or hold local posts there. Of course, he may go back to Tibet from time to time. His followers need not worry about their jobs and living conditions. These will only be better than before.

- When the Dalai Lama wishes to come back, he can issue a brief statement to the press. It is up to him to decide what he would like to say in the statement.

Yang pointed out that while the Dalai Lama expresses his wish of improving relations with the central authorities, some of his followers carry out activities advocating Tibetan independence.

"It will never do for anyone to play with the idea of an independent Tibet or to restore the serf

system," Yang stressed. "Tibetan people, as well as all other nationalities, will never agree to this at any time, under any circumstances."

CPC to Recruit More Intellectuals

The Organization Department of the CPC Central Committee recently urged Party organizations across the country to admit more outstanding intellectuals, especially middle-aged and young ones.

The call was made at a forum sponsored by the department in Beijing from Nov. 12 to 19.

Those at the meeting agreed that intellectuals are in the ranks of the vanguard among the working class in China's march towards modern science and culture. They represent the advanced forces of production. It is strategically important to recruit large numbers of outstanding intellectuals already qualified for membership into the Party so as to change its composition, to give it thousands of trained personnel who have mastered scientific subjects and to build the Party into a core of leadership for China's socialist modernization.

Since the Third Plenary Session of the 11th Party Central Commit-

tee, which was convened in December 1978, some progress has been made in recruiting Party members from among the intellectuals. But, the educational level of the Party is still very low and the percentage of intellectuals is still very small. Among more than 40 million members, only 17.8 per cent have received a senior middle school education or above, and only 4 per cent have a college education. Party members make up only less than 1 per cent of all college students.

As everyone knows, both Marx and Engels, founders of proletarian parties, were intellectuals. It was also progressive intellectuals who introduced Marxism to China. For a long time, however, due to the influence of "Left" ideas, China's intellectuals were not considered part of the working class. Some of them were even considered alien class elements. Therefore, it was very difficult for intellectuals to join the Party.

Unless this state of affairs is changed, forum participants noted, the Party will not be able to give effective guidance to the modernization programme and will face the danger of losing its progressive nature. Therefore, it is necessary to admit large numbers of intellectuals into the Party, while making efforts to train Party

Some intellectuals in the Inner Mongolian College of Agriculture and Animal Husbandry take the oath on being admitted into the Party.



members and encourage them to study hard and become self-taught professionals.

At the forum it was pointed out that, generally speaking, the problem of recruiting intellectuals into the Party has not been fundamentally resolved. The major reason is that remnants of "Left" thinking and other outmoded ideas have not been eradicated in the minds of some Party members and cadres. For example, some people deny that intellectuals are part of the working class. Some others, out of their personal or factional interests, are jealous of those who are more competent than themselves and intentionally lay obstacles for intellectuals to join the Party. Some grass-roots Party organizations do not function properly and simply ignore the applications of intellectuals.

The meeting decided to criticize and punish those who intentionally obstruct intellectuals' applications to join the Party.

The Organization Department of the CPC Central Committee revealed that not long ago a deputy director of the Fengfeng Coal Mining Bureau in Hebei, the Party secretary of the Grassland Working Team in Gansu and a Party branch secretary in the Jilin Chemical Fertilizer Plant were removed from their posts because they obstructed qualified intellectuals from joining the Party.

New Offshore Oil Tracts Up for Bid

According to the China National Offshore Oil Corp., a second round of bidding for the exploitation of offshore petroleum in co-operation with foreign enterprises commenced on Nov. 22.

The new tracts include some 100,000 square kilometres of oil-rich seabed in the eastern part of the Yingge Sea Basin, in the Zhu-

jiang (Pearl) River Mouth Basin, in the South China Sea and in the southern and northern parts of the South Yellow Sea.

In the past four years China has signed 23 offshore oil contracts with 31 foreign companies from 10 countries. Oil companies from the United States, Britain, Japan, Italy and France have been drilling wells and have found the optimistic estimates about offshore oil formations to be true.

The foreign companies signed leases for offshore tracts totalling 93,289 square kilometres and agreed to pay lease fees totalling upwards of US\$2 billion.

Of the 700 oil-bearing formations so far discovered in the leased tracts, 46 have been drilled and 59 test wells have been sunk. The explorers have found oil and gas in 27 of the test wells sunk in 15 different oil formations.

Currently, 13 drilling ships are at work in the Bohai Sea, the south Yellow Sea and the South China Sea. Some 1,000 foreign specialists and oil rig technicians are working alongside their Chinese counterparts. The foreign co-operation has not only boosted China's oil exploration, but the influx of oil company personnel and their families has also spawned a boom in the hotel business in Guangzhou, where many of the companies are based.

The second round of bidding will proceed in an open and unrestricted way. Most of the new offshore oil tracts are in the eastern Yingge Sea, which is divided into four areas, each totalling 13,300 square kilometres. Most of the new tracts are in waters less than 200 metres deep and include promising geological formations. Gas fields with large reserves have been discovered in tracts being explored by American ARCO just west of the bidding area. Preliminary geological studies indicate

that the new tracts also have good oil and gas potential.

Bidding for the new tracts will close on Dec. 15 and the China National Offshore Oil Corp. will announce the bid winners on Dec. 20.

Foundation Formed For Moslem Street

The Beijing Foundation to Build Niujie Street, voluntarily sponsored by Chinese Moslems from all walks of life, was founded on Nov. 6 at the Niujie Mosque.

Niujie Street, famous for its Moslem community, is now home to more than 10,000 Moslems. The mosque is more than 1,000 years old. It houses the Chinese School of Islamic Theology, a hospital, a high school, a primary school and a kindergarten.

The new foundation will collect funds from Moslems in all fields at home and abroad, to be used to gradually turn the area into a modern street area with Chinese Moslem features.

Zhang Shunzhi, a Moslem, is the vice-president of the foundation and also deputy director of Xuanwu District. He said, "According to the blueprint, there will be a complete set of cultural and educational facilities, ethnic shops, posh Islamic hotels and other commercial services. A new Islamic centre for religious activities and several residential buildings with ethnic features are also planned. While calling on Moslems to donate money for construction, the state will offer funds."

Leaders of the Chinese Islamic Association are joined by authorities from the State Commission for Nationalities Affairs, the Beijing municipal government, Xuanwu District and Niujie Street to head the foundation. Fifteen of these leaders have made the pilgrimage to Mecca.

United Nations

Soviet Withdrawal Called for Again

by REN PING

FOR the sixth time the United Nations General Assembly, meeting in its 39th session on Nov. 15, has demanded the withdrawal of foreign troops from Afghanistan.

The 119-20 vote, three votes larger than the last majority, indicates that the Soviet Union has become increasingly isolated from the international community since its invasion of Afghanistan in 1979.

The most recent UN resolution on the Afghan issue reaffirms that "the preservation of the sovereignty, territorial integrity, political independence and non-aligned character of Afghanistan is essential for a peaceful solution of the problem."

It says the Afghan people have a right to "determine their own form of government and to choose their economic, political and social system free from outside intervention, subversion, coercion or constraint of any kind whatsoever."

The resolution calls upon all parties concerned to work for an early political solution and the creation of the necessary conditions that will enable Afghan refugees to return to their homes in safety and honour.

Ever since the Soviets sent troops into Afghanistan in late 1979, the non-aligned countries and the Organization of the Islamic Conference have repeatedly made statements and adopted resolutions showing deep concern for the Afghan people's struggle and calling for an immediate and just

settlement to the Afghan question. The Association of Southeast Asian Nations, the European Community and many other international groups have also denounced the Soviet occupation.

The Soviet Union, however, has clung to its inflexible stance and has refused to implement UN resolutions.

In a speech during the UN General Assembly session, Chinese permanent representative to the United Nations Ling Qing condemned the Soviet Union's double dealing on the question of Afghanistan. He said that while talking glibly about a "political solution," Soviet authorities are intensifying the war of aggression, expanding their military bases and building strategic highways, all in an attempt to perpetuate their occupation of Afghanistan.

During the first half of this year, the Soviet Union built up its troops to launch a large-scale offensive in the strategic Panjshir Valley north of Kabul.

Western Europe

Unity to Meet Scientific Challenge

by ZHANG QIHUA

SINCE mid-October leaders of France, the Federal Republic of Germany, Britain and Italy have exchanged six state visits. Besides bilateral relations, they discussed issues concerning Western Europe, relations between the United States and Western Europe and East-

Soviet jets bombed areas of guerrilla activity in a "scorched earth" policy to wipe out Afghan resistance forces.

The Soviet actions have prevented any progress in the indirect talks being held in Geneva and have obstructed the relaxation of tension in Afghanistan.

The Afghan national resistance forces will never be eliminated. The longer the Soviet troops stay in Afghanistan, the deeper the hatred for the Soviet aggressors will become, and unity and co-operation among various Afghan resistance forces will grow.

With the resistance among the Afghan people growing, the Soviet Union will become bogged down in a never ending quagmire. The Soviet jet fighters and sophisticated weapons will not allow them to avoid their eventual failure.

Every UN resolution on the Afghan issue has provided Moscow with an opportunity to settle the question. The only way out for the Soviet Union is to comply with the UN General Assembly resolutions and bring about a just settlement of the Afghan problem at the earliest possible date.

West relations. Outstanding among the topics they discussed was the challenge posed by new technological revolution to European industry.

For more than a year Western Europe has made rapid progress in improving co-operation and unity and in pursuing an independent policy. Its role in the international

community is becoming increasingly important.

Facing the intensified arms race between the United States and the Soviet Union and US and Japanese advances in technology, many West Europeans note that diplomatic efforts alone are clearly insufficient for promoting West European development. Western Europe faces military, political and economic pressures, and at the same time it is challenged in science and technology. The decision adopted by 21 countries of the European Council last September to form a European scientific and technological zone and the Europe and New Technology meeting held by the European Economic Community (EEC) show that Europe is confronting this challenge.

The leaders of France and West Germany took the lead in the discussions on the new technological revolution in their talks. They concentrated on the programme to develop West European space technology. Under this plan, the European Space Agency will continue to develop the advanced Ariane rockets; France and West Germany will jointly develop satellites for military and civilian use; and they will join the US Columbus Space Station programme.

It is well-known that West European countries have mastered certain advanced technology, but on the whole they lag behind the United States and Japan. Western Europe is determined to step up development of space technology because some work has already been done in this area.

The European Space Agency has plans to develop rockets with greater thrust — Ariane-4 and Ariane-5. It is said Ariane-4 will be able to lift objects weighing two to four tons into geostationary orbit by 1986. The Ariane space company plans to fire 10 of these rockets each year in an effort to

compete in the satellite-launching market by the late 1980s.

Ariane-5, expected to become operational in 1995, will be able to carry a payload of 15 tons into lower orbit or an eight-ton payload into geostationary orbit 36,000 kilometres above the earth. It will be used to send into orbit a space shuttle now under study in Western Europe, which is smaller than the current US shuttle.

Die Welt of West Germany pointed out that Western Europe is resolved to follow US and Japanese successes. This reflects a big change in strategy. The politicians of Western Europe believe that if their nations are left permanently behind by the major technological powers, they will be forced to become transfer merchants for other industrial countries.

In light of this, although developing space technology requires huge sums of money and big efforts to mobilize the scientific skills of many countries, Western Europe is willing to pay the price.

Italian Prime Minister Bettino Craxi said after meeting with French President Francois Mitterrand that Italy would wholeheartedly join the programme to develop Ariane-5. After meeting with Craxi, British Prime Minister Margaret Thatcher also said that West-

ern Europe should create the conditions necessary to develop industry by joint efforts in scientific research and advanced technology in order to confront the challenge from the United States and Japan.

The new trend of unity for technological development has taken a firm hold in Western Europe. However, unemployment prevails in most West European countries, conflicts within the EEC have still not been solved and different opinions on European development still exist. Some analysts predict that efforts to develop space technology will face further challenge from the United States and Japan. The West European countries need to introduce changes in their economic systems, capital, qualified scientists and technicians and education if they want to go ahead with their plans. Therefore, it will not be smooth sailing for them to realize their goal of technological co-operation as part of their overall aim for West European unity.

France and West Germany have played a leading role in developing new technology, and this is important to push co-operation. But West Europe must be more closely united. President Mitterrand on Nov. 5 said that only when Europe unites as one, will it be able to deal with US and Japanese competition in science and industry.

France

African Policy Faces Tough Test

by MA WEIMIN

IN recent days the problems in Chad have again dominated French politics and the newspaper commentaries. Because Libya has not completely implemented the French-Libyan agreement to withdraw all troops from Chad, France's African policy faces a new test.

On Nov. 10 the French Ministry of External Relations announced the completion of the French and Libyan troop withdrawal from Chad. However, a few days later the United States State Department said that Libya still had some troops there. In a televised speech on Nov. 16, French President Francois Mitterrand said that when he met with Libyan leader Muammer Gaddafi on the Greek

island of Crete, the first thing he mentioned is that about 1,000 Libyan troops are still in Chad although without heavy weapons. After this, the French newspaper *La Liberation* quoted a report to the president which said that Libya has 3,000 troops in Chad with 57 tanks and helicopters. Some of these troops have arrived recently.

The French had to react quickly to show that they would not tolerate Libya's refusal to fulfil the agreement. According to French newspapers, at the mini-summit of France and four African countries held in Paris on Oct. 5, Mitterrand promised Chadian President Hissene Habre that if this problem did occur, France would take the necessary measures. French-speaking African countries are watching to see what France will do. The government's African policies face a stern test.

Mitterrand and French Prime Minister Laurent Fabius had a long talk about the Chadian issue. The cabinet also discussed the issue and the parliament conducted a sharp debate. Fabius avoided many concrete questions asked in parliament and explained his government's two principles. First, it has no reason to get involved in Chad's internal affairs. Second, France should be loyal to its African friends. To ensure this, Fabius said the government had taken all necessary measures and would continue to do so.

Fabius also said that during their meeting Mitterrand told Gaddafi the agreement between them was signed and should be observed. France and Libya have the same responsibilities in this regard. If the agreement is fully observed, then it is possible for France and Libya to co-operate. Otherwise nothing can take place between them. The French determination is unwavering, Mitterrand said.

From Fabius' speech and the newspaper analyses, observers predict that France's first consideration is to get its troops out of Chad and to avoid any future military involvement. Their year-long operation there has already cost too much politically and economically. Observers note that France's first choice is to exert diplomatic and military pressure to force Libyan troops to withdraw. Some newspapers described the surprise visit to Chad by the French defence minister and the chief of staff of the French armed forces, their speeches and the resumption of French reconnaissance flights over the north of Chad as a "war of nerves."

Observers also note that if Libya uses the urgency of France's withdrawal from Chad to keep its own forces in place, which would damage French interests in Africa, Mitterrand will not sit idly by. For Chad, its foreign minister said in Paris on Nov. 21 that his country needs much more powerful French military operation.

Brazil

Opposition Makes Election Bid

by ZHONG CHENG

AFTER next month's presidential election, Brazil will have its first elected civilian president since the military government was installed in 1964. But who will win the January contest is impossible to predict.

The prospect of a presidential election was raised after an election was held to choose members of the National Congress and state governors in November 1982. As the economic crisis intensified and there was a gradual political open-

Public opinion in Paris holds that France must improve its relations with Libya in order to maintain its interests in Africa and the Mediterranean. Minister of External Relations Claude Cheysson reaffirmed in Washington on Nov. 20 that it would be a political mistake to ignore Libya. He said that there is a possibility for dialogue between France and Libya and he did not agree with the US attitude towards Libya.

Although Libyan Foreign Affairs Secretary Ali Abdessalam Toureki told reporters on Nov. 22 that the Libyan troop withdrawal was only delayed by geographical difficulty, this excuse did not go down well with French politicians.

People note that the Chadian issue is extremely complicated. From the 1960s to the present, France has been militarily involved there three times, but the problem has still not been settled. A real settlement in Chad seems to depend on the way the parties involved conduct their negotiations and reconciliation.

ing, the ruling Social Democratic Party (PDS) and the military government fiercely debated the presidential election system with the opposition Brazilian Democratic Movement Party (BDMP). The Social Democrats and the military government insisted on an indirect election through an electoral college in keeping with the election system called for in the constitution, while the opposition advocated an amendment to the election law to allow direct election through a general ballot.

According to the constitution, the president should be elected for

a six-year term by an electoral college made up of all members of the National Congress and delegates from state legislatures. After the 1982 election, Social Democrats held 359 votes of the 686-member electoral college while the opposition parties controlled 327 votes.

The military government has been indirectly electing presidents by the electoral college since the 1964 coup. After Joao Baptista de Figueiredo took office in March 1979, he began to open up political life in Brazil. He allowed multiple political parties, released political prisoners and allowed voters to directly elect members of the National Congress and state governors. In the first such elections in 1982, the opposition parties expanded their power, governing 10 states compared to one before. The four opposition parties even won more seats in the Chamber of Deputies than the ruling party. However, the governing party still held a simple majority in the National Congress, as well as a majority in the electoral college.

Seeing direct elections as their only hope for the presidency, the opposition parties opposed the indirect election. Since March of last year, the four opposition parties (BDMP, the Social Democratic Labour Party, the Workers Party and the Brazilian Labour Party) and other large organizations have demanded a constitutional amendment to make the election direct. They jointly established a multi-party committee to co-ordinate their efforts, and they put forward an amendment to the constitution to have the president and vice-president elected directly by the people. They also called for a five-year presidential term rather than the existing six-year term.

The amendment was supported by proponents of change from all segments of Brazilian society. Proponents, including some army

generals, demanded democratic rights. They hoped reforms could help Brazil tackle its major problems: An economic crisis that saw the 1983 gross national product decline by 3 per cent, an inflation rate of 220 per cent, foreign debts totalling US\$97 billion, 10 million unemployed workers and constant strikes and violence.

The opposition parties and other groups staged demonstrations that drew as many as 1 million people. They hoped the mass rallies would force the military government and the ruling party to pass the constitutional amendment. But on April 26 the amendment was voted down by a small majority of 22 in the National Congress. This was a heavy blow to the opposition.

Yet, the veto seems to have sparked internal fighting within the governing party.

At the end of May Vice-President Antonio Aureliano Chaves de Menonca, who is a moderate Social Democrat, announced he would not attend the mid-July PDS assembly for electing new party leadership. He announced that he and some other Social Democrats, under the banner of the Liberty Front, were joining with the opposition parties to establish the Brazilian Democratic League to seek change in the government.

On Aug. 12, the day after Paulo Maluf was nominated by the ruling Social Democrats as their presidential candidate, Tancredo Neves was chosen as the candidate of the Brazilian Democratic League. With some Social Democrats breaking ranks and the opposition parties all lining up behind a single candidate, the election began to shape up as a close one.

The two candidates are now making speeches all around the country. According to foreign reports, the Social Democrats and the opposition parties, are well-

matched. Both have their strong points in the campaign.

Maluf, an enterpriser, is strong in economic affairs and administration. Formerly the mayor of the city of Sao Paulo and governor of Sao Paulo state, Maluf is a member of the Chamber of Deputies. He enjoys a high reputation among the upper echelons of the PDS and in the industrial centre of Sao Paulo. He is also supported by President Figueiredo in the election. But Maluf is opposed by many officials in the presidential palace, military officers and those in the lower levels of society.

Neves, 74, is a veteran official. Formerly a member of the state legislature, the Chamber of Deputies and the Federal Senate, Neves served as Minister of Justice, Minister of the Interior and as Prime Minister. Neves, regarded as a moderate centrist by some people, is governor of Minas Gerais state. He has the strong backing of all opposition parties, including the Liberty Front, and all social circles. He is also favoured by those military officers who advocate liberty and democracy.

Because of the Liberty Front's alliance with the opposition parties, the opposition now holds 390 of the total 686 votes in the electoral college, more than the Social Democrats. But it is still difficult to predict who will be the next president under the complex situation.



China's Biggest Energy-Producing Centre

Situated several hundred kilometres southwest of Beijing, Shanxi, China's largest coal producer, is a key state development centre. By the end of this century the province and some of its neighbouring regions will be built into China's largest energy-producing base. It will be open to outside investment and co-operation.

In order to help our readers better understand this energy base, "Beijing Review" will run a series of four articles dealing with its resources, development, co-operations with foreign enterprises and the lives of miners and their families. —Ed.

by JING WEI
Our Correspondent

the attention of some foreign entrepreneurs.

Plenty of Coal

SHANXI is known as "the world of black gold" in China or "China's Ruhr Valley" abroad.

With the progress of China's modernization, Shanxi has become increasingly important to the national economy because it has a great potential to relieve the nation's energy shortage. Its abundant resources have also attracted

The train from Beijing to Shanxi heads south out of the capital into the Hebei Plain. Three hours later, near Shijiazhuang, the provincial capital of Hebei, the train turns to the west and enters the Taihang Mountains. The province is west of these mountains, which is how it got its name—Shanxi means west of mountains. By this

time trains passing in the opposite direction are inevitably loaded with coal. Trucks also heavily laden with coal speed along the winding mountain highways.

Yan Wuhong, deputy governor in charge of Shanxi's industrial work, said proudly, "In 1983, the province produced 159.18 million tons of coal, 106 million tons of which were shipped out of the province. With an average daily output of 436,000 tons, 290,000 are carried away. Both the coal output and the volume of coal transported rank first in the country."

At present 85 per cent of Shanxi's freight volume is for coal transport and 70 per cent of the province's transportation facilities by road are used to ship coal. According to *Shanxi Ribao* (Shanxi Daily), during the first half of this year a coal train puffed out of Shanxi every six minutes, in addi-

Heavily laden coal trains await departure orders at the Datong marshalling station.



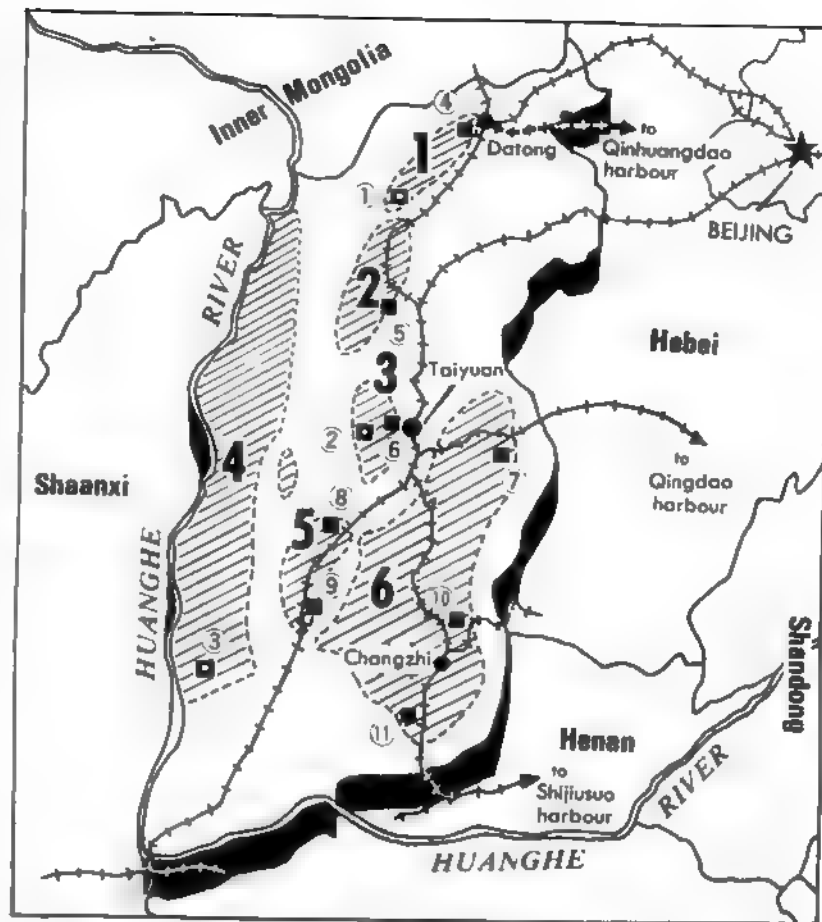
tion to more than 5,000 heavily loaded trucks leaving for other provinces each day. Nevertheless, there are still more than 27 million tons of coal piled high by pit mouths or at the railway stations

Shanxi is a relatively small province covering 156,000 square kilometres, or just 1.6 per cent of the nation's total. Its verified coal reserves exceed 203,500 million tons, 26 per cent of the nation's total.

What do these figures mean? If we build a wall 10 metres high and 10 metres wide with the verified reserves, the wall would be 400 times as long as the Great Wall. It could encircle the equator 50 times. It will take China 1,300 years to exploit it all, based on 1983's annual output.

Conditions Favour Exploitation

Scattered all over the province, coal in Shanxi is not only abundant but also of high quality. In addition, the reserves are easy to mine. About 37 per cent of the province, or 57,000 square kilometres, is sitting on top of coal fields. Geographically, there are six major mining areas: Datong



coal fields 1. Datong 2. Ningwu 3. Xishan 4. Hedong 5. Huoxi 6. Qinsui
mining areas ① Pingou ② Gujiao ③ Xiangning ④ Datong ⑤ Xuangang
⑥ Xishan ⑦ Yangquan ⑧ Fenxi ⑨ Huoxian ⑩ Luan ⑪ Jincheng

and Ningwu coal mines in the north, Xishan and Huoxi coal

mines in the centre, Qinsui coal mine in the southeast and Hedong coal mine in the west. There are also some small mines scattered throughout the province (see sketch map).

A steady stream of heavily loaded trucks rumble along the road from Datong to Qinhuangdao.



Shanxi is rich in all kinds of coal, including power coal to generate electricity, coking coal used in metallurgy and machine building and large amounts of anthracite coal for making chemical fertilizer and peat coal for civil use.

Each kilogramme of coal mined there can give off an average 6,000 kilocalories when burned. Datong coal, in particular, enjoys a high reputation at home and abroad, and can generate 7,800 kilocalories. It is low in ash, sulphur and phosphorus, and is favoured by big hotels and roasted duck restaurants in Beijing. The Shanghai



A worksite in the Duerping Coal Mine in Xishou, Shanxi Province.

Baoshan Iron and Steel Complex will use coking coal produced in Shanxi's Gujiao, when it goes into production.

The coal seams are thick and have few faults. About 45 per cent of the coal seams range from 3.5 to 8 metres, and 31 per cent range from 1.3 to 3.4 metres. Their geological structure is simple, with a slope of 5 to 10 degrees.

"These features are really advantageous for mining, because they require less investment, produce quicker returns and can yield better economic efficiency," a provincial energy specialist said. At present some of Shanxi's coal mines lead the country in the number of productive shafts, in high work efficiency and low production costs. This is partly attributable to the superior geological conditions.

The province is also geographically well located, only 400 to 600 kilometres away from sea ports along China's east coast and close to Beijing and Tianjin. Its seven railways hook up with the nation's railway network, and are capable of transporting coal to major industrial areas in China and to sea ports for shipment abroad.

"However we still have some problems," the deputy governor said. "Shanxi is surrounded by mountains. The Taihang Moun-

tains stand to the east and the Huanghe (Yellow) River flows across the south. These geographical features make transportation difficult. Moreover, most of our existing coal mines are technologically backward, equipment needs to

be updated and we lack talented people."

Comparison With the Ruhr Valley

Coal specialists from Taiyuan, the provincial capital, compared Shanxi to other big coal-producing regions in the world. In 1980 Shanxi produced the world's sixth largest amount of coal, next only to Appalachia in the United States, Upper Silesia in Poland, Donbas and Kuzbas in the Soviet Union and the Ruhr Valley in the Federal Republic of Germany. In 1983 Shanxi's coal output was close to the output of the Ruhr in 1980 (see chart).

We can see that the output in the Ruhr Valley was higher than in Shanxi. German mechanization and working efficiency far exceed those of Shanxi. However the natural conditions in Shanxi are more favourable. But China is still

A 1980 Comparison

	Shanxi	Ruhr Valley
coal output (thousand tons)	121,030	162,000
area of coal mines (square kilometre)	57,000	2,600
verified reserves (million tons)	201,000	65,000
average mine depth (metre)	158	869
average thickness of exploited seams (metre)	2.3	1.8
number of mines	230	29
comprehensive mechanized coal mining (%)	22	96
number of miners (1,000)	408.8	170

lagging far behind in technology. Although the mining equipment imported in recent years has improved mechanization by up to 60 per cent, consistent efforts must be made to catch up with the Ruhr Valley in mechanization and production efficiency.

Reports From Shenzhen (2)

A Mirror for Urban Economic Reforms

In the current economic reforms, Shenzhen and its Shekou district serve as a mirror to reflect the defects of the old system and the advantages of the new reforms.

by **ZHANG ZEYU**
Our Correspondent

SHENZHEN, a bleak and desolate small town when it was first opened to the outside world five years ago, has since been transformed into a modern city. With an injection of foreign capital and bank loans, this special economic zone has embarked on large-scale construction projects at top speed and with high efficiency. The city infrastructure projects have been completed, and buildings covering a total floor space of 3 million square metres have been completed and put into service. Noting the quick growth of the Shenzhen skyline, visitors from other parts of the country are astonished by "Shenzhen speed."

Once a small fishing village 30 kilometres away from Shenzhen, Shekou has developed into a new industrial district. Most of the 61 joint ventures and 11 exclusively foreign enterprises have been completed and have gone into business. Everything from yachts and steel products to aluminium plates and household electrical appliances turned out in Shekou has been marketed in Europe, America, Australia and throughout South-east Asia. From 1980 to 1985, the total value of the industrial output in Shenzhen increased at an average of 85.7 per cent a year, and the total revenue over the four years was 2.2 times the total for the past 30 years. And

the speed of the construction was faster than anyone expected.

As all of China is going about urban economic reforms, Shenzhen and its Shekou Industrial District serve as a mirror to reflect the defects of the old system and the advantages of the new reforms.

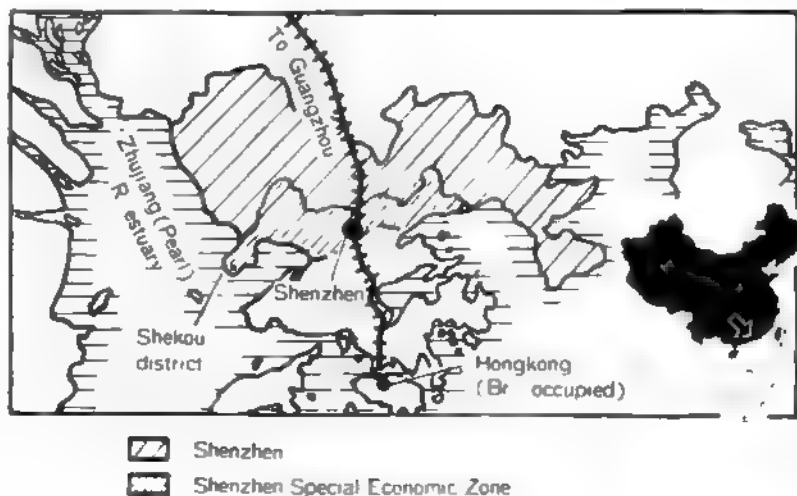
While construction projects often take years to complete in other parts of the country, buildings in Shenzhen have always been completed ahead of schedule. Take high-rise buildings for example. It generally takes 20 days to complete the structure for each storey of a high-rise building in most parts of China, but usually each floor goes up in only five days in Shenzhen. Most of the 100,000 construction workers in Shenzhen come from the interior, such as Jiangsu, Hubei, Sichuan and Guangdong Provinces. Why are these builders so

much faster than their co-workers in other places? The reason is that Shenzhen has introduced public bidding for construction projects and the workers employed have proved their qualifications. Moreover, Shenzhen has carried out a series of reforms to improve its management system.

A Different Kind of Management

Since the establishment of the Shenzhen Special Economic Zone, some companies there have instituted a managerial system different from that used elsewhere. The system includes:

— A streamlined administrative structure, which attains high efficiency and avoids bureaucratic "red tape." The management com





Leaders of the managerial committee in the Shekou Industrial District study future plans.

mittee consists of only seven persons (one chairperson, three deputy chairpersons and three members), and has six offices with 70 to 80 staff members.

— Separating government functions from enterprise management to avoid bogging down the business with administrative weight. The 13 specialized companies in the district have instituted a system in which managers assume full responsibility of their sections. The tasks, personnel, costs and profits are fixed by the management committee, and the section managers are empowered to be in charge of the day-to-day management of the personnel, finance and administration.

— Operating and doing business accounting independently, and implementing the principle of more pay for more work.

— A system of inviting applications for jobs has replaced the old system of appointments. And cadres transferred from the interior have been assigned to new posts based on their ability to do the specific job regardless of their former posts

Reforms have greatly improved efficiency and have been praised by foreign entrepreneurs. In Beijing foreign business representatives often complain about the long waits, requests for official stamps and complicated procedures they must follow to get anything accomplished. But "red tape" has been reduced to a minimum in the Shekou district. The management committee of the industrial district and some foreign companies are housed in the same building. It takes just a few days to negotiate projects, complete with a land agreement, water and electricity supplies, installation of telecommunications equipment, the hiring of labour force and the purchase of housing for the workers and staff

New Ways to Choose

The Shekou Industrial District has also instituted a series of democratic methods for choosing and supervising cadres so as to ensure the rational use of qualified personnel and prevent the misuse of powers. Among the methods are:

Democratic elections. The Shekou district has stipulated that

members of the management committee are elected for a term of two years, and a vote of confidence is held after the first year. If a member of the committee fails to win 50 per cent approval, he is immediately dismissed and replaced. Those who seriously neglect their duties can be dismissed and replaced at any time.

In April 1983 the district elected a management committee composed of a number of young people who have been trained professionally and who have lofty ideals. The average age of the committee's seven members is 44. The management committee finished its first year this spring and a vote of confidence was carried out in accordance with the stipulations. The vote went 87.9 per cent in favour of the members, but there were sharp criticisms of two members who had drawbacks in their work. The two members have thus been able to improve their work.

Appointments. The district encourages enterprises to respect knowledge, to assign intellectuals to important positions and employ people of high political integrity and ability. An appointment system similar to that for the management committee has been implemented in the companies in the district. In the system, the workers have a direct voice in choosing the manager or factory director. Nominated by the workers and examined by the enterprises' leading bodies, the list of nominees is narrowed to two to three candidates by the leading bodies. Then the workers' congress of the enterprise votes on the nominees and a contract is offered to the vote winner. After the contract has been signed, a letter of appointment is issued by the higher authorities. The letter of appointment stipulates the duties, powers and salaries of the manager or factory director. After holding the post for six months, a vote of confidence is held by the workers. Those who do not win

more than 50 per cent of the votes must leave their posts.

The newly appointed manager or factory director should announce his administrative programme to the workers; put forward the plans and measures he hopes to implement; and pledge to run the enterprise well. Deputy managers and assistant managers are nominated by the manager.

In May 1983 the district invited 46 managers and factory directors and their assistants. Their average age was just under 44 and 82 per cent had a university-level education. Past practice has shown that these cadres have been competent in their management jobs. After arriving in Shenzhen, the managers worked 10 hours a day and devoted themselves to their work. They fulfilled their tasks splendidly in 1983. Statistics show the 13 specialized companies exceeded by 32 per cent the volume of business called for in the annual plan. They also made profits exceeding the plan by 12 per cent. During the year, except for one assistant manager who was dismissed before his term of office was over, all of the rest held their posts for the full year and won support from their workers. This May only a few were not reinvented or were transferred to other posts.

Admit personnel by examinations. In the past, transferring cadres was the business of the personnel department. The units that needed personnel had to accept whomever was offered and had no say in choosing a candidate. But this practice has been changed in the Shekou Industrial District. Using such methods as open examinations, enterprises have been able to recruit able people to fill their top jobs.

Shenzhen recruiters have travelled to Beijing, Shanghai, Wuhan and Guangzhou to enlist the services of talented personnel through

examinations. While attending a meeting in Beijing in 1982, Yuan Geng, director of the Shekou management committee, heard that some students at Qinghua University wanted to work in the special economic zone. Yuan immediately checked on the eager students and eventually 13 of them were recruited. These students have become the backbone of the industrial district's managerial group. Gu Liji, 30, office director of the management committee, is one of the students.

Training. Starting in 1981, the management committee has also run annual training courses on enterprise management. University graduates and those who have an equivalent education have been enrolled in the training courses. One-third of those who have graduated from the courses have been appointed to managerial posts throughout the industrial district.

Wage Reforms

In order to abolish the distribution system of "everybody eating from the same big pot," the Shekou Industrial District has made some encouraging changes in the

wage system. Instead of everyone getting the same pay, the general principle is now "more pay for more work." Wages in the industrial district now reflect the talents and responsibilities required of the jobs and specific posts. Jobs that carry heavy work burdens or extra responsibilities also carry extra wages. There are four wage types that go together to make the total wage. They are:

Basic wages. The basic wage is the wage grade earned by workers and staff members all over China. The basic wage is enough to support the basic needs of the workers and staff and their family members. It is the base from which all Shekou wages are figured.

Wages appropriate to jobs and specific posts. These wages reflect the amount of labour and quality of work required of various posts and jobs. These wages will be determined by the worker's labour intensity, technical level and working conditions. The wages of the cadres will be determined by the importance of their posts and the degree of difficulty in their work. These wages are divided into 15 grades. The highest grade will be 158 yuan and the lowest will be

A glimpse of the Shekou Industrial District.



30 yuan. The difference between each wage scale is nine yuan. These wages will, of course, be changed when a worker or manager is transferred from one job to another

Subsidies. Because Shekou workers live close to the border, they receive income subsidies to help them cope with the higher commodity prices found in such border areas. They also receive subsidies to help them pay the higher prices of fruits, vegetables and meat. But subsidies for grain, housing, water, electricity, fuel and transportation that workers receive elsewhere in China are not granted in the special economic zone

Floating wages. The floating wage generally refers to bonuses that will be determined by the performance of the enterprise and the contribution made by the workers and staff. No ceiling or lower limit is imposed on such bonuses.

The average proportion of the four types of wages is: Basic wages account for 30.5 per cent; wages appropriate to the jobs and specific posts account for 37.2 per cent; subsidies make up 10.3 per cent and floating wages account for 22 per cent. Because only the basic wages and subsidies are fixed, the fixed part of the wages for workers and staff accounts for 40.8 per cent of the average total.

That minimum guarantee is necessary to stabilize the basic living standards for workers and staff.

According to statistics from the first quarter of 1984, the average monthly wage for the workers and staff of the 13 companies in the industrial district was 193.76 yuan, or more than double the average wage earned by workers and staff in the interior. The highest monthly income was 414 yuan and the lowest was 144 yuan.

A system of appraising work and promoting high achievers has also been instituted in the industrial district. The basic wages of the workers and staff will be raised once every two years

In order to ensure that workers and staff will be supported when they retire and have free medical treatment when they are sick, the industrial district has also established a system of social labour insurance. It stipulates that joint ventures and wholly owned enterprises must pay 15 per cent of their total wage costs to labour service enterprises, which will provide health care and retirement benefits. State-owned enterprises and institutions must pay 20 per cent of the total wages

In visiting Shenzhen institutions, companies, factories and shops, it's hard to find any idle employees. Everyone is working hard at his job. Managers, intellectuals and workers in these units all agree that the current wage system truly represents the socialist principle of distribution — "from each according to his ability, to each according to his work." Those who once rested on the job have now become hard-working people and the future looks bright for everyone in Shekou. □



A dock in the Shekou district.



Rural Responsibility System (V)

Specialized Households Emerge

They give a push to the rural economy and set the example for prosperity by developing production and improving commodity circulation.

by **LU YUN**

Our Correspondent

AFTER the rural responsibility system was implemented on the outskirts of Beijing, 40-year-old Lei Derui and his wife contracted to farm 0.3 hectare of land. Working hard, they spent only 80 days a year farming.

Like many other peasants working under the rural responsibility system, Lei finds that his increased productivity leaves him with plenty of spare time. And, like many others, he is using his time and his special skills to diversify.

Lei decided to expand his chicken farm. He borrowed 10,000 yuan and added 1,200 chickens to his small stock of 130. Now, every day he can earn about 100 yuan selling his 90 kilogrammes of eggs to the state. This is much more than Lei makes from his contracted land. Gradually his family has become a specialized chicken-raising household.

In Jiangsu Province, some families engage in interdependent food production, using the wastes from one product to raise another under the guidance of specialists. Zhang Youmei, her husband and her son bred 600,000 earthworms under the metasequoia trees in front of their house and raised chickens with the earthworms. They mixed earthworm and chicken droppings, silkworm chrysalis, the ribs of mulberry leaves

and bean dregs to feed pigs. They fermented the pig droppings in a pit to make biogas for cooking and lighting. Later they used the residue from the biogas to plant mushrooms and then to feed the earthworms or to fertilize their contracted land. Last year they sold 134 pigs, 300 kilogrammes of silkworm cocoons, 500 kilogrammes of mushrooms, 400 mcal chickens and 100,000 earthworms to the state. Zhang and her family were praised as peasants who prosper by studying scientific methods.

Specialization Develops

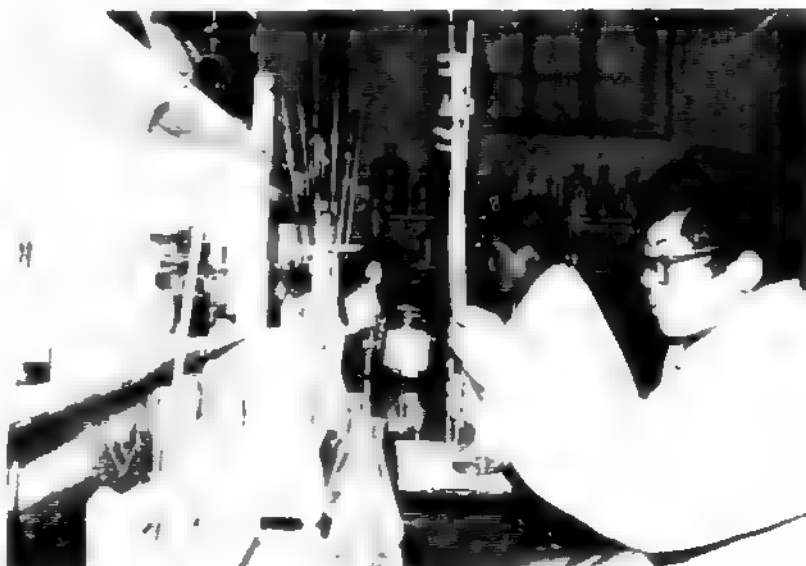
China has many peasants but limited arable land. About 330 million able-bodied peasants work

100 million hectares of land. In the past, participating in collective labour controlled by the production team under a line of thinking misguided by "Leftist" ideology, they were not allowed to diversify.

Since the responsibility system was introduced, peasants have been able to arrange their own schedules for working their contracted land. With the time saved, they are being encouraged to diversify. This brings in more money.

In the beginning peasants took up sideline production. In 1981 the average per-capita income from sideline occupations was 2.36 times that in 1978 and the total income from sidelines accounted for 37.5 per cent of the total in-

Soil specialists working in a commune-run analysing room.



come of every household. Later some families began to plant vegetables, fruit trees, mulberry trees, flowers and medicinal herbs, while others started to keep bees, grow tea and raise pigs, chickens and fish. Gradually these sideline occupations became their main trades. Because incomes are high, specialized households are developing quickly in rural areas. Following their example, other families started up businesses in processing agricultural products, construction or commerce. Households specializing in growing grain also appeared.

The appearance of specialized households is one of the important changes the rural responsibility system has brought about. The system makes their existence possible, and its management methods encourage their development.

Specialized households fall into two categories: contracting and self-managing. By signing contracts with the collective, contracting households use collectively owned means of production and equipment such as machines to process farm produce, pig sties and pigs. The contracts designate the tasks for each party and the proportion of their products or income the household must pay the collective.

Self-managing households appeared after sideline production expanded. They sometimes have no relationship with the collective economy. But most of them still contract to grow grain and other crops in addition to their sideline production.

These two kinds of specialized households have varying degrees of relations with the collective economy. They abide by state laws and regulations in taxing and business scale. Quite different from an individual economy based on private ownership, they are a component part of the socialist economy in rural areas.

These specialized households manage their small-scale businesses within their own families. They operate one or two special trades while still growing grain under contract. Some of them have given their contracted land to other families which specialize in growing grain in order to concentrate their energy on special production.

Progress Ahead

At the end of 1983 there were 24.82 million specialized households in China, accounting for 13.6 per cent of all rural households. The number is still growing this year.

The development of the specialized households is based on social and economic factors. Most Chinese peasants want to develop production and to be prosperous through hard work, and the government has taken this as one of its basic principles. The families with specialized businesses can double or treble or even increase their income 10-fold much faster

than ordinary peasants. They set the example for prosperity in rural areas. They are also assured of rich natural resources in the rural areas and a vast urban market for their products.

However, specialized production has not always been encouraged. Local leaders with a "Leftist" bias offered little support. Jealous cadres sometimes extort money from those who get rich quickly, ignoring the policies. Some people who had the chance to start a specialized business waited to see whether the policy would change. Others had trouble getting market information and advanced technology or buying raw materials and selling their products.

On the first of this year the Party Central Committee issued a circular on rural work, setting out concrete policies to actively help develop specialized households. The circular calls on state and collective authorities in particular to provide the social services these households need and to meet their

Peasants from a village specializing in weaving and braiding in Shenqiu County weave wicker chairs.



demands for market information, raw materials, sales outlets and modern technology.

Liu Qingshan and his two younger brothers in Anhui Province felt confident after reading about the circular, and have worked hard to build up their specialized trades. Ten of the 19 households in their village specialize.

Five years ago Liu and his two brothers were very poor. Last year they earned 10,000 yuan each. They all built spacious brick-and-tile houses. Qingming, the middle of the three, said, "The first thing we did when we had some money was to build houses, because the ones we had made of earth were too small. But another reason was our worries. We were afraid the policy would change. We thought if the policies changed, the houses we built would still be ours."

Qingshan, who specializes in growing grain, said, "We are at ease since the circular was issued, and I contracted another 20 hectares of land to plant trees." Qingming also contracted another 6.5 hectares of pond to fish. The youngest brother is a beekeeper. He said if he got a loan of 4,000 yuan he could earn about 40,000 yuan this year.

Leaders in Commodity Production

The division of labour and trade in rural areas and the fact that peasants are gradually giving up farming reflect the constant rising level of commodity production in the rural economy. In 1983 commodities made up 60 per cent of the rural products, compared with 51 per cent in 1978. The volume of commodities sold in urban areas doubled.

Commodity production is an important prerequisite for realiz-

ing agricultural modernization. The rural economy must change from being self-supporting or semi-self-supporting. Specialized households hasten this change, and thus push the whole rural economy down the road to modernization.

Specialized households have broken free from the self-supporting system of growing grain, supplemented by small-scale household sidelines. Instead, they have developed their commodity pro-

Agricultural modernization requires that the rural economy changes from being self-supporting or semi-self-supporting. Specialized households hasten this change and help push the whole rural economy down the road to modernization.

duction with the intention to buy and sell.

About 90 per cent of all products turned out by households specializing in industry, commerce, transportation, construction and service trade are commodities, as are 50 per cent of the products from households specializing in farming and other kinds of cultivation. About 5.2 per cent of all households in Shanxi Province specialized in growing grain last year, but they sold the state 37.3 per cent of all the marketable grain the province purchased.

Households selling their commodities are of course greatly concerned with their economic results. Under the traditional self-support-

ing system, the peasants concentrated on increasing output which needed little investment. Now specialized households need to meet market demands, and are not afraid to invest more in order to become more competitive.

For instance, the households specializing in grain growing contract more land and use more money to buy fertilizer, hybrid seeds, tools and machinery than do ordinary households. A survey of 2,277 specialized households throughout the country shows that they bought 1,772 tractors and 119 motor vehicles. Some of them even bought small airplanes.

This all requires a lot of investment, and if they ignore economic returns they will go out of business. They must be both labourers and managers. Market information, new management methods and scientific developments are therefore very important to specialized households. Some have even found ways to enter the international market.

In the beginning, their production scale was limited because they did everything themselves, from production to sales. Later these households became even more specialized. They formed co-operative groups to share labour. As a result, some new trades appeared. In chicken raising, for example, some households produce fodder or incubate young chickens, some provide meat chickens or raise chickens for eggs, others specialize in chicken disease prevention, or purchase and sell eggs and chickens or transport the products.

The management of these households is very flexible. They can take up any trade according to their abilities, whether the investment and profits are great or not. They can utilize all the scattered potential of the natural resources around them. They can expand

their production scale if it is to their advantage, or change their mode of production quickly and take up other trades.

This division of labour and trade in rural areas is a positive trend. More and more peasants have freed themselves from growing crops and are offering the people needed commodities and services. China no longer needs 800 million peasants to plant grain. And the peasants will gradually be well-off by developing socialist commodity production.

Circulating Commodities

The rural responsibility system has increased purchasing power. The old, backward circulation system cannot match the development of commodity production of specialized households. Peasants complained about their difficulties in purchasing and selling. Transportation, processing, storage and equipment supplies all had to be improved and the circulation system urgently needed reforms.

The government adopted some

helpful measures, and many peasants began to engage in commerce. There are now 3.91 million households specializing in industry and commerce and 45,000 commercial centres in rural areas, more than ever before. These households play an important role in invigorating the rural economy and improving the circulation of commodities.

There are 4,000 peasants specializing in transporting poultry and eggs in Haiyan County, Jiangsu Province. They began working when the chicken raising households developed. In 1983 they purchased and shipped 92 per cent of the chickens and 34 per cent of the eggs sold in the county. About 60 per cent of these were sent to Nanjing, Shanghai and Wuxi. They brought half of all the chickens sold in the city of Nanjing on the back of bicycles. Jin Baoyuan went to and from the city 29 times and earned 1,500 yuan in 1983. He and his fellow workers are organized of their own accord into co-operatives. Some are responsible for purchasing chickens and some for selling them in Nan-

jing, while others look after shipping. They share profits according to the contracts they sign.

Yiwu County in Zhejiang Province opened a fair in 1982 for 1,000 individual pedlars to sell daily necessities in large lots. The fair opens every two days and now does about 100,000 yuan in business a day. Almost half of the 2,100 small articles sold at the fair are not available in the state and collective stores. About 40 per cent of these articles are from the county and the rest are shipped in from cities and provinces in the eastern, northern and northeastern parts of China. The customers are pedlars from all over the country. On one day a pedlar from Shenyang, a big city 2,300 kilometres away, and a pedlar from Yunnan Province, about 2,000 kilometres away, were both eyeing the merchandise. Each seller at the fair can earn about 1,000 yuan a year.

Popularizing Science

The rapid development of production has forced the peasants to keep pace with the latest scientific advances.

Households specializing in growing crops reap better harvests when they sow and fertilize scientifically. Households raising animals have much to learn about breeding, feeding and disease prevention. Lei, the man who raises chickens outside Beijing, said, "I don't dare stop reading the books on chicken raising when I am keeping 1,350 chickens in my courtyard."

In the past individuals seldom subscribed to newspapers or magazines in the rural areas. But now more and more peasants anxiously await their periodicals, and rural circulation has soared to half the nation's total.

State-run short-term technical training classes are extremely pop-

Movie-lovers at a peasant-run cinema.





Duan Shichang (first from right) of the Bai nationality in Yunnan Province sells vermicelli he collected from local peasants.

ular in rural areas. Specialized households are active in popularizing science and technology. Some of them even make that their specialty, offering technical consultation and services. Others write books and articles on their experiences and their research achievements.

Cao Yinxiang, who raises chickens in a mountainous area in the southern part of Anhui Province, runs a semi-mechanized chicken farm. Its annual output value was 120,000 yuan last year. Over the past year 10,000 people have come to his farm for advice.

Cao has also answered 15,000 letters.

Fan Xuejun, an edible fungus grower in Henan Province, runs training classes from his home while growing fungus. He himself took a course on fungus growing in Fujian Province. So far Fan 24, has run five classes and has trained 150 people.

Weng Xiying and his family, fungus growers from Fujian Province, went to Hubei Province to teach their skills at the invitation of the local peasants. They have stayed two years, but are still in great demand.

The remarkable interest in science and technology among households which formerly did not see the need for them shows that a management system based on peasant households can help the realization of agricultural modernization.

Zhang Youmei, who uses every scrap of every product she produces, is a good example of how traditional farming can best be combined with modern methods. In 1983 about 10,000 people came to Zhang for advice and she and her neighbours welcomed the professors and specialists from eight institutes of higher learning and scientific research institutions in the province to teach them new skills.

Many households are willing to join with researchers to learn more about raising chickens, ducks, earthworms and angora rabbits. A few peasants have become experts in their fields.

These specialized households provide outlets for the surplus labour force in rural areas. They also increase productivity, speed up the exploitation of natural resources, help popularize science and technology, develop commodity production and the division of labour and trade and quicken the socialization and specialization of agricultural production.

These households also give a push to the rural economy by developing production and improving commodity circulation. They set the example for prosperity.



Fulfilment of My Hopes

Born in New Zealand on Dec. 2, 1897, Rewi Alley once joined the army and fought in World War I. He arrived in Shanghai in 1927 and has spent his last 57 years in China. Alley is an energetic social activist and educator. He is also a versatile poet, writer and translator. In 1982, he became an honorary citizen of Beijing and in 1983 he became a member of the China PEN Centre. — Ed.



by REWI ALLEY

I came to China in 1927, knowing little but eager to learn much. The China at that time was a country renowned for one of the world's longest continuous civilizations, just swept over by a revolutionary storm, and groaning under a reign of terror.

Shanghai was under the grip of the gangs, notably the Qing Bang, and behind them stood the banking corporations on the Bund, the tanks and warships of the predatory powers. Workers were often herded by an enslaving system as chattels of their gangster overseers, and the exploitation of women and children was utterly shocking. The silk filatures were among the more nightmarish places I visited as a factory safety inspector. Children, many no older than 8 or 9, stood for 12 hours over boiling vats of cocoons. They stood there with swollen red fingers, eyes inflamed and eye muscles sagging, many crying from the beatings of foremen, their tiny arms often scalded in punishment if they passed a thread incorrectly. The rooms were so full of steam that in the Shanghai heat just standing in them for a few minutes was unbearable for me. For the labouring people, the lack of interest in what they were doing and the hopelessness of

everyone around gave them no chance against disease. They became dull, listless and apathetic. I saw them struggling under incredible hardships and difficulties. When they got clear of one kind of exploitation, they would fall into another, never dreaming that their children would be able to climb out of the rut in which they toiled away their lives.

My final disillusionment about any possibility of reform under the old system came when I saw a group of six young men, who had been organizing silk factory workers, shot in cold blood in Wuxi. The lads were thrown to the ground, and a scruffy Kuomintang officer took a pistol from one of his men, walked up to each and blew his brains out. A fat boy wearing silk gown and cap clapped his hands in excitement and joy. It suddenly dawned on me that the only way out was basic change.

I shall never forget one episode in Wuhan in 1931. It was a winter's day with a light fall of snow and a bitter wind blowing down the street. I stood in my heavy overcoat watching a procession. It was of the condemned going to execution. They were all political prisoners, men and women, school kids, peasants and workers. At the rear of the group came a

man, tall, clothed in a single thickness of faded army uniform too big for him, so that the wind pressed against his thin body. His head was erect, his eyes calm and he was smiling. His serene smile struck me with the impact of a bullet, impressing upon me the indomitable spirit of the Chinese people. At that moment I felt like throwing off my warm coat and joining him in his march to the bank of the great, sullen Yangtze, where his life would be torn from him.

Inspired by this spirit of struggle and sacrifice, I wrote under a Chinese pseudonym in the *Voice of China*, the first English publication in China supporting the national liberation movement, just before it was banned by the invading enemy: "In front of us lies a new world. It is a world worth living and dying for. A progressive, democratic, free world, where every man has a chance to live to his fullest capacity. Where the creative will be fostered and the imitative discouraged. Where destruction will give way to construction. Where man will fight disease, desert, flood and famine, and in so doing will become greater and happier. It is a bright new world, in which we will begin to build better minds and better conditions for them to thrive in. But, for the present, we lovers of peace must

light." The Chinese people plunged into the anti-Japanese war and emerged victorious.

At the beginning of 1931, I was asked to go from Shanghai to Wuhan, representing the National Relief Commission to assist on the reconstruction of dykes destroyed by the great flood, using foreign wheat loans for the purpose. A million or so people died in the calamity. In Wuhan, arrests of suspected Communists among the refugees were made daily, and shootings were frequent. The sweet name of "relief" was used by the old regime to cover up exploitation and corruption. Contractors of the labour, traders and officials, all squeezed. I found relief racketeers feasting each other at the big foreign hotels, but very little work was done. To see that up-river main dykes were being rebuilt, I took steps to send relief wheat to Sinti (now Honghu) despite protests that as the whole region was Communist dominated, of course no dyke rebuilding was taking place. Together with the chief engineer, I went on a river steamer to Sinti, then heavily garrisoned by Kuomintang soldiers. The next day we walked some miles well into the countryside. There, a very animated sight spread out in front of us as far as we could see. The whole population was hard at work building the main dyke where it had been washed away — led by the local Communist Party.

In Shanghai in 1938, with a view to organizing the refugees and building a resistance economy, Edgar and Peg Snow and I worked out a plan to establish the Chinese Industrial Co-operatives (CIC), better known as Gung Ho, and sometimes called Indusco abroad. The project, jointly sponsored with patriotic democrats like Hu Yuzhi and Xu Xinliu, was sold to an unwilling KMT government at Wuhan. The setting up of the Indusco

Committee by Ida Pruitt in the United States brought so much American sympathy and help that the KMT was immensely impressed, and Gung Ho became more important as one of the efforts holding it to at least nominal resistance. The movement struck a popular chord, demonstrating the genius of the Chinese people working in groups. They would organize their co-operatives on small loans of money or material, improvise and utilize existing conditions to the full. Various kinds of daily necessities were produced to meet the needs of the people in the rear; military supplies and even small arms were sent to support the army at the front.

For years, I travelled all over the unoccupied China, inspecting Gung Ho co-operatives and attending interminable meetings. Born in a national crisis, Gung Ho inculcated the spirit of patriotism into the ranks of the peasants and workers in almost all unoccupied provinces. Gung Ho, meaning "work together," was a slogan used to indicate a way of life for all. The romanization of the term has gone into the American language, meaning "zealous, hard working." And the Gung Ho Raiders, under the command of Lieutenant-Colonel Evans Carlson who had seen the co-operatives, took it as a battle cry to Guadalcanal and so gained the first allied victory over the Japanese in the South Pacific.

After my discharge from executive power in Gung Ho by the Kuomintang, I shifted my attention to training technicians at the Bailie school in Shandan County, west Gansu Province. The school grew on a half-study and half-work basis, carrying forward the tradition of hard work and overcoming all difficulties. It received financial support and material supplies from the ordinary people of the United States and New Zealand in the main. The foreign teaching

staff had to be self-supporting. But there we could make an industrial base "training for the dawn," and offer something more solid than just good words to welcome the liberation. I always look back on the decade I lived there as the happiest years of my life. The student body worked wonderfully. Facts showed that the naked, starving refugee children, orphaned and abandoned by the roadside — the illiterate children of illiterate parents — could be trained into capable technicians and able administrators, people second to none in all those qualities that make a great human being. The rugged Shandan youth had a special appeal to me as the salt of the earth. When I saw them for the first time out on the grasslands wearing only felt hats and short felt tunics, I realized that I had discovered a gold mine in the hinterland. It is the people who will create a new world and these tough, unspoiled youth, with education, would be able to build a new China. I could never suffer as much as some of those lads had suffered. That they had managed to hang on was some considerable inspiration to me.

One of China's gifts to me has been the idea of making one's life mean something to people, rather than let the sordid quest for fame, face or fortune dominate it. Gung Ho was a people's movement that trained thousands of workers in co-operatives or in schools. It was brought into existence not merely by the endeavours of the few but by the co-operation of the many. Madame Soong Ching Ling, as honorary chairman of its international committee and concurrently chairman of its promotion committee in Hongkong, helped this movement with all her heart in a practical and effective way. Co-operative experts, both Chinese and foreign, rendered their valuable services at different stages. But KMT agents tried their best to hamper and sabotage the

movement. KMT officials poked their hands into various Gung Ho organizations, victimizing Sha Qianli, Chen Hansheng, Hu Ziying and other leaders. Gung Ho owed its inception to the influence of the Chinese Communist Party, without whose assistance it could not have succeeded as well as it did. Chairman Mao Zedong spoke very highly of the industrial co-operative and asked for them to be set up in the border regions; I had the honour discussing Gung Ho affairs with him twice. When faced with difficulties, I always approached Zhou Enlai for advice, and he would offer his thoughtful guidance. I shall never forget the late premier's great help and encouragement, which made it possible for me to contribute my small part to the resistance struggle.

In the old China, in the exploited, ruined villages and cities, subject to perpetual wars, floods, famine and pestilence, there was a cry, accompanied by baffled and angry eyes, the cry of the defeated and the hopeless: *Meiyou banfa* — There is no way! Then there began to appear men who changed the tune. Communists stood firm on all fronts of struggle, and did their utmost to vanquish the enemy and overcome the hardships. The *Meiyou banfa* changed to *You banfa* — We have a way! They had confidence born of a new understanding in which they pushed forward and gave leadership. The little groups became large ones until they swelled into an overwhelming tide that engulfed the old, cleared away its rottenness and cut fresh channels. The national liberation of 1949 brought about a liberation of the human spirit. The Chinese people have since set out on an unprecedented plan of reconstruction. Invariably they say *You banfa!* as new contradictions arise and demand solution. In this lies a whole world of respect for themselves and for their limitless potential.



Rewi Alley with an old peasant in Shandan County, Gansu Province.

It is the spirit of the Long March and of the Resistance and Liberation Wars, built up amongst the people, that has brought about a rising People's Republic, with all its down-to-earth policies, and wrought wonders rarely seen in our time. It is this spirit, generated first in the old liberated areas and ingrained over the whole country all through the years of liberation, that is the motivating force in China today.

Progress was faster than even the most optimistic dared prophesy. Struggles, hardships and mistakes yet ensued. No part of the world that developed so fast on so gigantic a scale could be free of them. Mistakes have been rectified through experience, and new standards set, enabling the advancing hundreds of millions to press on with renewed vigour. The Chinese people are a people of character and ability, full of warmth and passion, and conscious of their immense strength. All attributes may be found among this quarter of all human beings. Yet they have always appealed to me as kindly folk who breathe a cultured humanism. They love their friends and hate their enemies in a normal way. Poor in many things, they are in-

deed rich in others. Perhaps nowhere will one find more men and women having that easy, thoughtful attitude which makes them such a lovable people to do practical work with.

In the early summer of 1952, a new stage began with an invitation to take part in a preparatory conference for the Peace Conference of the Asian and Pacific Regions in Beijing. The main conference, held in October that year, brought together more than 400 delegates and observers from 37 countries to compare their experiences in the struggle for peace and to forge new weapons in the most crucial cause of history. As deputy leader of the New Zealand delegation, I became a member of the liaison committee of the Asian and Pacific regions, and, in that capacity, attended various international conferences till 1965. Geographically, New Zealand and Australia are really an extension of Asia into the southern seas — Austral-Asia. It has been my hope that the people of my country will strengthen their friendship and co-operation with the rest of the people in the Asia-Pacific region in creating those essentials on which a permanent peace rests, so that future

generations may devote their whole energy to developing the potential of this world, reaching hitherto undreamt-of heights in living standards and also extending long fingers out into the universe.

With my residence in Beijing, I have regularly travelled to different places across China, not only for admiring the beauty of its scenery amongst forests and streams, mountains and grasslands, but for studying its time-honoured culture and collecting new materials to interpret the country for readers abroad, especially to the English-speaking world. China has been exploited for so long that there remained an enormous task of overcoming prejudices and rectifying misunderstandings.

I write what I see. I do not pretend to be a great writer, but I think there is a place for just the ordinary person who goes and puts down what he sees without much pontification. As many of the paths I have taken are not those usually travelled by visitors, a little deeper insight and more essential background could be gained than would be possible for those who have in one short visit developed an appetite for knowing more of China and its way forward.

China is no paradise. It is a struggling quarter of mankind, dealing as intelligently as possible with a host of problems as it takes its place among the great powers of the world. There are still plenty of people who by any standards are poor, but there has been a continual betterment of their livelihood. Seeing the new China with the old eyes of an ordinary man, I like to dwell on the positive aspects and am not often critical. When I first came to Shanghai, I saw the beggars, the opium dens, the pimps and the prostitutes, the bodies of unwanted infants floating in the canals, the sickening struggle to survive.

It gave me enough negativism in one glance to last a lifetime.

Yet, in spite of the poverty of the old society, its misery and its bankruptcy, I found myself reacting strongly against the idea that it was the "beggar" China, so dubbed by many thoughtless Westerners. China has never seemed like that. After years of working and living in this country, I remain a New Zealander, but I have become Chinese too.

If the Opium Wars of the 1840s marked the beginning of imperialist aggression in China, the liberation of mainland China in 1949 has done away with opium and imperialism. No part of the world has suffered more than China from imperialism, and in no other country, it is safe to say, do the people know better how to deal with it in a long, drawn-out battle. The great miracle in China has been the transformation of a backward, semi-feudal social order into one that pulls itself up by its own efforts strongly enough to enter a future that will surely carry it forward to occupy its rightful place in the world. The unity of all the Chinese people is growing in strength, and the successful blending of ethnic groups, each with its own distinctive customs and culture, makes life richer and more varied for everyone. Never in history has any Chinese leadership had anything like the enthusiastic co-operation of the whole population that is so ungrudgingly being given this one.

Peace and construction in China, I found, are words with a kick in them. Men, women and children are co-operating for the common good. Places I know as centres of starvation have lifted themselves up in a way that, unless one has seen it with one's own eyes, would not have seemed possible.

The last decades have brought me the thrill of watching many dreams come true in Shandan. On

my first visit in 1943, it was about the poorest county in China. Abject poverty plus tyrannical rule cast a gloom over its natural beauty and adequate resources. It was such an out-of-the-way place in the wild desert that in December 1949, when I came to Beijing, it took more than a month to reach, including the inevitable truck repairs on the road. Since then, every return to Shandan filled me with new joy and excitement. In 1953 I saw railway trains puffing up to the foot of the Wushaoling Mountain range. Twenty years afterwards, my only complaint in travel was that the car went too fast on the new macadam highway for me to pick out old landmarks and drink in all I could. In 1982 it was heartening to see a museum set up, where relevant artifacts of the old Silk Road and bits and pieces of my collection of cultural relics are on display. Through it, the youth will be able to learn more of the past essential to them as they meet the present and prepare for the future. Shandan is beginning to be a bright, modern town with a forward-looking people and many plans for development.

China gives warmth and encouragement to many a lonely soul. Back in my home in Beijing, friends like Ma Haide and Hans Kurt Muller, both seasoned revolutionaries, come over regularly; we discuss all kinds of questions and tell stories about wartime days. My adopted children bring their families for visits on the weekends, making walls echo with sounds of laughter. Visitors from Oceania, the Americas and Europe call to exchange views and share my thoughts on this country. I maintain a large correspondence with my homeland, New Zealand, as well as with other Western countries. My writings, in prose and in poetry, my translations of Chinese verses and my records of travels have been published in magazines and edited into books and pamphlets.

The Gung Ho (in modern pinyin spelled *gonghe*) movement was revived with government approval in 1983. I am pleased to see activities being resumed in quite a few pioneer co-operatives in Beijing and elsewhere. The new approach is to promote workers' co-operatives in the accepted international meaning of the word. All members have a share, take responsibility for profits or losses, and appoint their own officers. Only if the co-operative holds staunchly to the co-operative principle, can it hope to grow and prosper. It is not an organization for the individual grabber, but one for the mass of ordinary people to whom the idea of working together has a powerful and comforting appeal. This movement is best fitted to give full rein to the creative potential of the Chinese people, offering jobs to all those who need and

welcome them. Gung Ho, with its stabilizing influence, can yet make a sizeable contribution to a modernized China, and can only come to full fruition in a scientifically organized society.

In socialist China, now in its mid-30s, a billion people are making an old land flower again; millions of children are growing up and learning the lessons of their revolution and reconstruction. There is much to be learnt, and much is being learnt. The good things of the past will be preserved and better things done for the future. I am confident that necessity facing reality will foster people who can analyse and create even better than they did in the past. Imbued with the spirit that I have seen in action, they will change the course of great rivers, afforest barren hills, re-

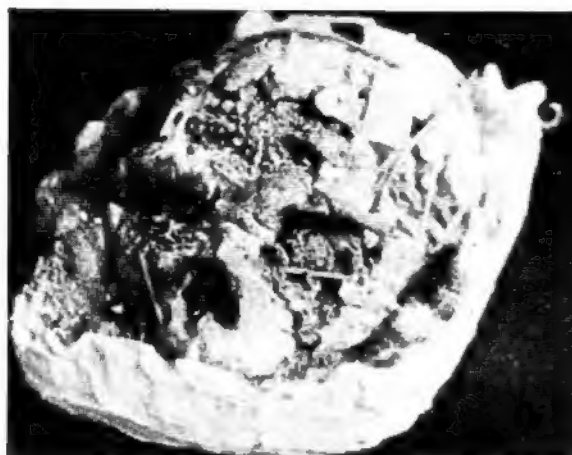
claim land, drive new railways and highways into the hinterland, and produce the energy needed for every aspect of human life. In time, without doubt, the province of Taiwan will join together with the mainland. Nothing on earth can halt China's progress towards national reunification and rejuvenation.

Mankind stands on the threshold of a new industrial revolution. In the age of the micro-chip, with daily advances in science and technology, the world seems to shrink from its old dimensions. To be one with this changing world, rendering each change to be one for the better means much to all. At the same time, to forge a people-to-people friendship between nations is indeed a challenging cause. People in China need to know more about other peoples, who, in turn, should try to understand the China of today, where a massive struggle is underway to modernize and to obtain a better livelihood for her billion people. As modernization moves forward, the importance of rising over feudalism and appreciating a scientific approach becomes ever more urgent. China is opening her doors wide to other countries, whose representatives are now knocking at them. The whole world looks up to the continuous success of her vast undertaking.

Living in China through the years has brought to me the bitter with the sweet. It has been my privilege to share the hard times as well as the happy ones with a people struggling for a way forward, ever grateful for the tolerance, patience and warmth shown by fellow workers. As one who came to learn from the Chinese revolution, now after more than 57 years, being enthused by China's clan for peaceful construction and practical reforms, I find fulfilment of long-cherished hopes and deep desires, and can but wish to do a few of the things that still can be done. □

Rewi Alley poses with some cadres in Shandon.





Left: The upper view of the skull.



Right: The basal view of the skull.

200,000-Year-Old Skeleton Unearthed

A fossilized 200,000-year-old human skeleton was unearthed in Yingkou in northeast China's Liaoning Province, on September 27 by an archaeological team headed by Lu Zune, an associate professor of the Department of Archaeology of Beijing University.

The discovery is the most complete skeleton of this period ever found in the world. The skeleton, which includes the skull, spine, thigh, hip, foot, wrist, hand and ankle bones, provided scientists with important clues that their find is related to the early human that lived about 200,000 years ago. Further radio active dating is being conducted to pinpoint the age of the skeleton.

The skull has been sent to the Institute of Vertebrate Paleontology and Paleoanthropology under the Chinese Academy of Sciences



Paleoanthropologist Wu Rukang examines the fossilized skull unearthed in Yingkou.

to be examined by noted paleoanthropologist Wu Rukang.

Wu considers the Yingkou County discovery one of great importance to anthropologists in their study of the transition from *Homo erectus* to *Homo sapiens*. Wu notes that until now the question of how

Homo erectus transformed into *Homo sapiens* has remained unsolved. The skeleton found in Yingkou is quite rare and may provide the clues needed to answer the question.

A member of the Chinese Academy of Sciences, Wu has led a series of important anthropological excavations. In 1980 he led an excavation team to Yunnan and unearthed in Lufeng the world's first *Ramapithecus* skull, which dates back 8 million years. The skull allowed the world to see, for the first time, the features of *Ramapithecus*, which is regarded by paleoanthropologists as the remote ancestor of modern man.

Commenting on the postcranial bones of the Yingkou skeleton, Wu said that since very few fossils of this kind have been discovered before, they may help scientists reconstruct the process in human evolution. For instance, the upper limb bones may tell scientists about the precision grip and manipulation ability of the transitional being and their relations to the making and

using of tools. From the lower limb bones scientists may learn about the gait and the degree of perfection of upright walking.

Fossils of *Homo erectus* were first discovered in 1891 by a Dutch anthropologist in Indonesia and were called Java Man. In 1929 the first skullcap of Peking Man, which was estimated to be 400,000 to 500,000 years old, were discovered in a cave in Zhoukoudian in the outskirts of Beijing.

After liberation, Chinese scientists found some ape man fossils in Shaanxi's Lantian and Yunnan's Yuanmou Counties, which were called respectively Lantian Man and Yuanmou Man.

From 1978 to 1983 the Institute of Vertebrate Paleontology and Paleoanthropology organized more than 120 scientists to make a comprehensive study of the Zhoukoudian Peking Man site. They determined the absolute dates of the 40-metre-thick, 13-layer sediments in the caves, and new excavations uncovered a large number of stone tools and piles of ashes left from the early man's fires.

At the end of 1980 the Chinese scientists unearthed a fairly complete skull of *Homo erectus* in Hexian County, Anhui Province. It corresponds to the later period of Peking Man.

Another fairly complete skull was found in Shaanxi's Dali County in 1978. Initial examination of the extremely rare Dali discovery indicated that it belongs to a form representing early *Homo sapiens*.

The results achieved by the Chinese scientists in recent years in the study of paleoanthropology have attracted the attention of their colleagues abroad. Some believe that the series of new discoveries are turning China into a major new centre of research on human origins.

— Wei Liming,
Our correspondent

Genetics Yields New Plant Strains

Chinese scientists have used genetic breeding techniques to develop more than a dozen new rice strains and 20 new wheat strains in recent years.

Using the haploid anther-culture method, the scientists have bred grains that grow well in alkaline soils and are resistant to disease. The new strains also yield about 10 per cent more grain than conventional strains.

Improved rice strains have been planted on 170,000 hectares of land and the new wheat strains are growing on 70,000 hectares. The agriculture researchers have also used the same genetic techniques to breed new strains of flowers, fruit trees, vegetables and medicinal plants.

Researchers have used cell and tissue cultures to grow new kinds of poplars and paulownia, which do not reproduce well from grafts and cuttings. They have also come up with green and black chrysanthemums, seedless watermelons, and new strains of pineapples, hawthorns and apple trees. In addition, they have used tissue culture to propagate the Chinese redwood and dawn redwood, known as "living fossils."

All these achievements were announced at an international symposium on plant genetics recently held in Beijing. The symposium was attended by 350 scientists from 25 countries, including the United States, Japan, the Philippines, France and India and from Hongkong. At the five-day meeting, 350 papers were read or made available covering various types of genetic breeding techniques used in agriculture and plant development. The symposium was subsidized by 32 foreign organizations, including the United

Nations Education, Scientific and Cultural Organization (UNESCO).

Doctors Using Computer Diagnosis

Chinese researchers have developed a computerized device which uses biological control theory to diagnose heart and brain diseases.

Clinical tests in 135 cases of heart trouble and 97 cases of brain disease demonstrated that the microcomputer diagnosing device raised the rate of correct diagnosis of heart diseases to 60-80 per cent and brain diseases to 60-70 per cent.

Heart and brain disease are major threats accounting for 28 and 26 per cent of all deaths in Beijing respectively. Many people die of sudden strokes for lack of a means of early diagnosis. Their early detection could boost the effectiveness of treatment.

Since 1979 scientists from the Chinese Research Institute of Environmental Science and other institutes have been collecting and studying electrocardiographic and electroencephalographic information. Their work was rewarded by success with the computer diagnosis in October 1982. Since then they have been testing the device in Beijing hospitals.

Brain disease and heart trouble can now be diagnosed when symptoms are not obvious and cannot be detected with the conventional electroencephalograph and electrocardiograph. And testing with the computerized device does not complicate or worsen the patient's condition.

A survey of Chinese and foreign medical literature indicates that China is at the forefront of such research, both theoretically and technically.



Fishing in Lake Taihu.

Woodcuts by Cheng Mian

Cheng Mian has been making woodcuts for a long time. He is good at generalizing and capturing the main theme in striking contrasts of white and black. Most of his works depicted the labourers' daily life with powerful strokes.

The artist was born in 1933 in Shandong Province. He now works at the Jiangsu Art Gallery.



Tibetan Women Sprinkle Water,
Praying for Rain.



A Farmer's Backyard South of the Changjiang River.



Waiting for the Fishers to Return.



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